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**Legislative Testimony
Insurance Committee
SB 393 AAC Standards In Health Care Provider Contracts
Tuesday, March 9, 2010
Jon Davis, DMD**

Senator Crisco, Representative Fontana and members of the Insurance committee, my name is Jon Davis and I have been practicing dentistry for 33 years in the town of Fairfield. I thank you for the opportunity to present this written testimony to you in support of SB 393.

I wholeheartedly support the intent of this legislation. Insurance companies should not be able to rescind or reverse approval for services or procedures providers have performed in good faith. By allowing this to happen the provider is put in an untenable position between the patient and the insurance company. The provider is very often asked to return payment to the insurance company and then negotiate with the patient to collect only a portion of the usual and customary fee. As a result the doctor patient relationship is being interfered with by the insurance company.

Section 6 is very important to dentists because this is a strategy insurance companies are starting to use across the country. Large powerful insurance companies are using their vast market power to dictate prices for dental services that the insurance company DOES NOT cover as part of its benefit plan. This is a significant change in how insurance contracts with dental providers have been structured for years.

Unlike organized labor, dentists cannot band together to demand fair treatment and resist abusive market power by insurance companies. Because of antitrust restrictions, the only place dentists can turn for relief from this abuse is the government.

The real reason why insurers are trying to dictate prices for uncovered services is to make their plans appear more attractive in the market. Hence, this plan is a money maker for insurers, not a cost savings for those who pay for and consume dental services.

Dentists accept discounted fees from insurance plans based upon an agreement of covered services. Efforts by insurers to dictate prices outside of covered services is a very substantial change in the longstanding relationship between dental insurers and dentists that has helped make dental care more readily available and affordable. It is too early to tell how this change will affect the provision of dental care except that the scope of this change is sure to have an impact. My concern is that insurance companies will elect to cover fewer and fewer procedures over time. Thus, providing fewer benefits and therefore increasing profits without a substantial decrease in premium costs.

In closing, I would like to again thank the Committee for allowing me to submit testimony. If you have any questions I would happy to talk to on the phone or answer them via email.

Sincerely,

Jon Davis, D.M.D
35 Old Oak Rd.
Easton, Ct. 06612
203-259-5026 / jdavisdmd@yahoo.com